

Department of Finance STATE OF CALIFORNIA MANUAL OF STATE FUNDS		Fund: 0912 PAGE 1 Renumbered From:
<u>Legal Title</u> Health Care Deposit Fund		
<u>Legal Citation/Authority</u> Chapter 1252, Statutes of 1977 Welfare and Institutions Code section 14157		
<u>Fund Classification</u> <u>GAAP Basis</u> Fiduciary/Agency Funds		<u>Fund Classification</u> <u>Legal Basis</u> Nongovernmental/Trust and Agency Funds-- Non-Federal
<u>Purpose</u> This fund was created as a depository of moneys to be used to provide health care and social services for recipients of public assistance and medically indigent aged. Persons eligible for benefits are those who lack sufficient annual income to meet the cost of health care, or those whose income and other assets are so small that to pay the full costs of health care would jeopardize the person's or family's future minimum self-maintenance and security. Payments to providers of Medi-Cal health services for costs of basic and extended health care. Payments to counties for costs of administering the program. Payments for prepaid health care services. Payments to holders of contracts for providing health care services.		
<u>Administering Agency/Organization Code</u> Department of Health Care Services/Org 4260		
<u>Major Revenue Source</u> Federal grants, County payments, General Fund appropriations		
<u>Disposition of Fund(upon abolishment)</u> Pursuant to Government Code 16346, absent language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.		
<u>Appropriation Authority</u> Section 14157 of the Welfare and Institutions Code provides that the moneys in the fund are "hereby appropriated, for expenditure for the purposes specified in this chapter (Chapter 7) and Chapter 8."		
<u>State Appropriations Limit</u> Always Excluded – Revenues in this fund are not proceeds of taxes and even after transfer, will never become proceeds of taxes because the major revenue source is derived from a Trust and Agency Fund (Non-Federal).		

Comments/Historical Information

The program of medical assistance, funded through the Health Care Deposit Fund, is known as the Medicaid program at the federal level and Medi-Cal or the Medical Assistance Program under California law. The program is funded by approximately 45 percent from the federal government with the balance of the costs shared by the state and the counties.

All federal moneys received under Title XIX of the Social Security Act are deposited in the fund. In addition, the State Controller deposits the counties' share as prescribed in Sections 14150-14156 of the Welfare and Institutions Code and transfers the state's share from appropriations made by the Legislature into the fund.

Initially, the state's share of the cost of the program was based on a complex formula upon which the Director of Finance made transfers from the General Fund to the Health Care Deposit Fund on a monthly basis. For this formula, refer to Chapter 4, Statutes of 1965, Second Extraordinary Session, Section 2. Chapter 1421, Statutes of 1967 provided that, commencing with the 1968-69 fiscal year, funds for the Medical Assistance Program would be provided in accordance with the usual budgetary procedures and made the continuous appropriations from the General Fund inoperative.

The fund was originally accounted for on a full accrual basis. Chapter 21, Statutes of 1969 amended the law to provide that all costs to be charged to the fiscal year in which the billing is received.

Chapter 4, Statutes of 1965 created the fund.

Chapter 21, Statutes of 1969 changed the name of the fund from the State Health Care Deposit Fund to the Health Care Deposit Fund.